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December 7, 2020

To the members of County Council and the citizens of Charleston County, South Carolina:

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Charleston County, South Carolina, for the fiscal year ending June 30, 2020.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and fairness of presentation of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to ensure compliance with applicable laws, regulations and County policies, and safeguards the County's assets. It is designed to compile sufficient reliable information for the preparation of the County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

Charleston County's financial statements have been audited by Scott and Company LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on auditor's judgment, including the assessment of risk of material misstatement to the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was sufficient and appropriate evidence for rendering an unmodified opinion that Charleston County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Charleston County was part of a federally mandated "Single Audit" that is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Charleston County's separately issued *Supplemental Federal Financial Assistance Reports*.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is

designed to complement, and should be read in conjunction with MD&A. Charleston County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The County of Charleston was established by the state of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government under the S.C Home Rule Act of 1975. Policy-making and legislative authority is vested in a governing council consisting of nine Council members. The Council is elected to single member districts on a partisan basis.

Charleston County Council is responsible for, among other duties, passing ordinances and policies, approving the budget, appointing committee members, and hiring the County's Clerk of Council, County Administrator, and appointing the Internal Auditor and Attorney. The Administrator is responsible for implementing the policies and ordinances of the governing council, overseeing the day-to-day operations of government (except those services provided by countywide elected officials), and for appointing the heads of the various non-elected or appointed County departments. The County has approximately 2,600 employees.

Charleston County provides or supports a broad range of services that include, but are not limited to:

- Public safety - countywide law enforcement (Sheriff's Office), detention facilities, emergency preparedness plans to include activation of the County's Emergency Operations Center in an event of a disaster, as well as fire protection in the Awendaw McClellanville Consolidated Fire Protection District, the East Cooper Fire District, the West St. Andrew's Fire District, and the Northern Charleston County Fire District
- Veterans' assistance
- Health-related assistance - Emergency Medical Services (EMS), alcohol and other drug abuse services, indigent health care, and social services
- Voter registration
- Rural street and drainage maintenance and urban maintenance upon request of the municipalities
- Waste disposal and recycling
- Planning and zoning administration
- Criminal, civil, probate, and family court administration in county Magistrates' court and in State courts with the support of the elected Clerk of Court
- Public defender assistance funding to the Public Defender's office, run by an appointed official
- Property assessments, tax billing (Auditor's office), collection and disbursement to appropriate entities/municipalities (Treasurer's office)
- Mosquito control

Discretely presented component units are reported in a separate column in the Statement of Net Position and in the Statement of Activities in order to emphasize that they are legally separate from the primary government, and to differentiate their financial position and results of operations from those of the primary government.

The following entities are being reported as discretely presented component units:

- Charleston County Library (CCL)
- Charleston County Park and Recreation Commission (CCPRC)
- Cooper River Park and Playground Commission (CRPPC)
- North Charleston District (NCD)
- St. Andrew's Parish Parks and Playground Commission (SAPPPC)
- St. John's Fire District (SJFD)
- St. Paul's Fire District (SPFD)
- Charleston County Volunteer Rescue Squad (CCVRS)

Additional information on these eight legally separate entities can be found in Note I.B. in the Notes to Financial Statements starting on page 66.

The annual budget serves as the foundation for Charleston County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the County's Budget Office by February 1 each year. The County Administrator presents the proposed budget to County Council for review during May. Council is required to hold public hearings on the proposed budget, and to adopt a final budget each year no later than June 30, which is the close of Charleston County's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff's Office).

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level, and major category (personnel, operating, and capital outlay) are further defined in the budget document. The County Administrator has the authority to make transfers between major expenditure categories within departments and between departments within the same fund. The Administrator has further delegated to five Deputy County Administrators the authority to transfer between departments under their authority. County Council may effect changes in fund totals through amendment to the budget ordinance or the County Administrator has the authority to change fund totals, with the exception of the general fund, if available sources (revenues, transfer in, and fund balance) differ from the budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 48-50 as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the nonmajor governmental fund subsection of this report, which begins on page 162.

SIGNIFICANT FINANCIAL POLICIES

The County's mission is to promote and protect the quality of life in Charleston County by delivering services of value to the community. As part of accomplishing this mission, the County strives to make informed choices about service provisions, while safeguarding the County's resources. The County addresses its responsibility to its citizens through the wise management of finances, which includes adequately funding County services and maintaining public facilities. The County also desires to maintain its strong financial position, while protecting the County's credit rating and preventing default on any debts. In order to do all this, the following policies had a significant impact on our current financial statements:

- A five-year forecast will be prepared for at least the County's major funds that include estimated operating revenues and costs.
- At the end of each fiscal year, the County will strive to maintain a minimum unrestricted fund balance in the General Fund of two months of the subsequent year's General Fund operating expenditures.

- The County will maintain a Rainy Day fund to provide emergency funds for use in the event of a major calamity. The County will strive to maintain this fund at no less than four percent of General Fund disbursements.
- A five-year Capital Improvement Plan shall be developed and updated annually. This plan shall contain all capital improvements from all funds and agencies of County government.
- The County shall only use long-term debt for capital projects or equipment if the following criteria are met:
 - When current revenues or one-time funds are not sufficient to use pay-as-you-go funding.
 - When the useful life of the project or equipment equals or exceeds the term of the financing.
- A five-year Debt Management Plan shall be developed annually. This plan shall contain all outstanding debt from all funds, provide for the issuance of new debt at reasonable intervals, and show the impact on the ad valorem tax rate.
- Bonds issued by the County shall not exceed a repayment period of 25 years, and the terms must be in compliance with applicable tax law requirements governing tax-exempt financing.
- The County may undertake refinancing of outstanding debt:
 - When such refinancing allows the County to realize significant debt service savings (net present value savings equal to at least 2.5 percent of the refunded par amount) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year.
 - When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service.
 - When a restrictive covenant is removed to the benefit of the County.

LONG-TERM FINANCIAL PLANNING

The Budget Department typically prepares long-term financial plans for the General Fund, Debt Management, Transportation Sales Tax, and Environmental Management that contain five years of data. Due to the unknown economic impact of the COVID-19 virus, the County focused on the short-term plan for the FY21 budget. Per the County's Financial Policies, the General Fund and Debt Management Plans are required to be updated annually. The County ordinance that established the Transportation Sales Taxes requires that plan to also be updated annually. Though it is not required, the Environmental Management Plan is updated annually due to its significance as a major Enterprise Fund. In addition to the plans for operating, the Budget Department, in conjunction with the Facilities Management Department, prepares a five-year Capital Improvement Plan and incorporates any operating impact into the operating funds. Together these plans capture approximately 70 percent of the County's operating funds. Some of the challenges the County faces as it prepares these forecasts are increased operating costs, population growth which will require funding to maintain or improve the quality of services, filling vacant positions with qualified employees, the undertaking of new or unplanned projects, and maintaining the desired amount of fund balance.

ECONOMIC CONDITIONS AND OUTLOOK FOR CHARLESTON COUNTY'S GROWTH INDUSTRIES:

Advanced Manufacturing – The aerospace and automotive sectors serve as the foundation for the region's advanced manufacturing industry. The Boeing Company and Mercedes-Benz Vans employ more than 8,500 people in the region. Local operations for the two OEMs (original equipment manufacturers) supports multiple tier one and tier two aerospace and automotive suppliers.

Between the years 2011 and 2019, jobs in the aerospace project and parts manufacturing industry grew more than 62 percent. The nation experienced an increase of nearly 10 percent for the same period. The aircraft manufacturing industry represents a sizable portion of this industry in Charleston County. The story behind this historical growth is the prosperity of The Boeing Company's South Carolina division. Since its landing in 2011, The Boeing Company has opened six facilities and business units in Charleston County. The Boeing South Carolina site builds all three versions of the 787. Boeing builds its newest and largest 787, the Dreamliner or "Dash 10," solely in South Carolina. The company currently employs more than 6,800 people in the region.

The Boeing Company (Boeing) has experienced major headwinds over the last 18 months. Boeing is currently working to resolve issues with its popular 737 MAX single-aisle aircraft built in Renton, Washington. The 737 MAX was grounded by the FAA after two fatal crashes that occurred in late 2018 and early 2019. The company has worked to fix mechanical issues, improve processes and restore confidence. Boeing is in the later stages of the process to gain approval to fly the 737 MAX again. In the meantime, the setback has drastically impacted Boeing's backlog of

orders. Boeing announced, in April 2020, that it planned to cut 10 percent of its global staff. The company has not publicly indicated what percent, if any staff will be cut at its South Carolina division.

The aircraft manufacturing industry has endured significant economic impacts from the Coronavirus pandemic. According to the Bureau of Transportation, U.S. airlines reported May 2020 passenger volumes down nearly 90 percent compared to May 2019. Travel restrictions persist around the globe causing some major airlines to cancel or delay orders for new aircrafts. These developments negatively weight on forecasts for future aircraft demand.

The automotive sector has settled into a new realm in the region with the completion of the Mercedes-Benz Vans' 1.1 million square foot Sprinter Van manufacturing facility in Palmetto Commerce Park. More than 1,700 people have been hired to run the expanded facility. While the plant moves forward with its expanded operations its parent organization, Daimler AG, reported that the worldwide sales of van units were down nearly 30 percent year-over-year. However, cost cutting measures, taken for the overall company, along with the "success of new products" positively impact profitability.

IT & High Tech – Solid growth in the IT and high tech industry has helped the Charleston region maintain its standing as the nation's "Silicon Harbor." The region ranked in the top 20 for high-tech GDP growth (2017-18) in Milken's *2020 Best-Performing Large Cities* report, released in March 2020. Continued leadership of organizations such as the Charleston Digital Corridor, Harbor Entrepreneur Center, and other entrepreneurial endeavors has helped create an economic ecosystem suitable for the birth and growth of tech startups. Technology companies, like BoomTown, PhishLabs, and Snag, are often considered "homegrown" because talent and capital investment are sourced locally. Many Charleston area tech companies have earned a place on the *Inc. 5000* list of "America's Fastest-Growing Private Companies." The popularity of annual events like DIG South, which draws the brightest tech minds from all over the country to the area for a time of idea generation and collaboration, represent undeniable expansion in entrepreneurial resources and interest in Charleston County's high tech sector. While the concentration of Info tech and analytical instruments jobs remains lower than the national average, over the time period of 2011 to 2019, job growth in the cluster has far exceeded the national growth rate. Through June 2020, jobs in the information sector (tracked by the Bureau of Labor Statistics) are unchanged from June 2019.

Defense, Intelligence & Cybersecurity – The Charleston region contains the largest military presence in South Carolina (Von Nessen, 2017), when considering military-related activity. The defense, intelligence, and cybersecurity industries represent a major part of this story. Investments from these industries have bolstered the area's intelligence community as organizations such as the Charleston Defense Contractors Association continue to operate and add local synergy to the dynamic industry. The Naval Information Warfare Center (NIWC) Atlantic's (formerly called Space and Naval Warfare Systems Center or SPAWAR) Charleston operations have a total economic impact of \$2.6 billion on the state of South Carolina. NIWC directly supports 18 military staff, more than 3,200 federal civilian contractors and supports an estimated 100 defense contractors.

Defense, Intelligence & Cybersecurity, over the past few decades, has significantly increased in its importance when it comes to national security. The sector is most critical in the current environment as our nation fights a global pandemic and is in the throws a major election cycle. The command at NIWC Atlantic is poised to contribute to these security efforts.

Warehouse, Distribution and Logistics – According to commercial real estate market analytics provided by Costar, the amount of new industrial space under construction in the county, is significantly lower than the 1 million+ square feet of space under construction the same time one year ago. Over the last 12 months, nearly 1.5 million square feet of new industrial space was added to the county's industrial commercial real estate market. The additional square feet and impacts from the pandemic have caused the vacancy rates to be higher year-over-year. It is anticipated that current trends of growth in the e-commerce industry could increase demand for warehouse and logistics space in the region.

Medical & Life Sciences Industry – The region's health care and social services industry accounts for 10 percent of the area's total employment. The health care industry is anchored by the state's teaching hospital, the Medical University of South Carolina (MUSC). MUSC attracted more than \$284 million in research funding in fiscal year 2019. The majority of the medical industry employment currently exists in Charleston's seven area hospitals - five private regional hospitals, MUSC and the Ralph H. Johnson VA Medical Center.

Charleston is garnering international recognition as an emerging biomedical market, and the Medical University of South Carolina's world-class research is key to this region becoming a globally competitive location for biomedical

business and talent. Charleston is home to more than 75 medical device and pharmaceutical manufacturers, research laboratories, and service companies. Furthermore, the Foundation for Research Development is paving the way for investors, industry, and entrepreneurs to collaborate. Adding to the overall life science ecosystem are new facilities and hospitals. The new \$400 million MUSC Shawn Jenkins Children’s Hospital and Pearl Tourville Women’s Pavilion opened in February 2020. The new 160,000 square foot office building at 22 WestEdge delivered this year. The building is part of a proposed 60-acre planned development, along the Ashley River, envisioned to serve as a “research and discovery” district. The area is closely located to MUSC and provides opportunities for collaboration between the Medical University and private industry.

ECONOMIC CONDITIONS AND OUTLOOK FOR CHARLESTON COUNTY’S MATURE INDUSTRIES:

In March of 2020, the nation found itself in the midst of a major health pandemic sparked by the COVID-19 virus. Many states throughout the nation, including South Carolina, implemented temporary social distancing laws (in the form of “stay at home orders”) to reduce social interactions to stem the spread of the virus. The laws called for the temporary closure of nonessential businesses. The only nonessential businesses that remained in operation were those that were able to allow employees to work remotely. The drastic reduction of production and demand resulted in a swift economic downturn. While the majority of social distancing regulations have been rescinded, daily data received from the South Carolina Department of Health and Environmental Control show signs that the COVID-19 virus continues to spread in the community. These developments indicate a sustained impact, for the near-term, on the local economy. In addition, some county businesses continue to face adverse financial impacts from the initial measures taken and the general decline in demand.

According to data released by the South Carolina Department of Employment and Workforce, more than 49,000 Charleston County workers have filed initial unemployment claims between March 21, 2020 and the end of the June 2020. As a result of the diminished demand for goods and services, the unemployment rate had increased from 2.5 percent, in March 2020, to 13.1 percent in April 2020 (the peak witnessed as of June 30, 2020). As some economic activity resumed the unemployment rate declined to 9.5 percent in June 2020.

The bright spot in the economic darkness is the diversification of key industries within the county. While the leisure and hospitality industry experienced a major negative impact, the manufacturing sector was able to somewhat weather through the economic turmoil with a little more success based on a number of factors. Many of Charleston County’s manufacturers are deemed essential, were able to pivot operations to produce essential items (i.e. personal protective equipment, sanitizer), or benefit from corporate fundamentals such as being a dominant player within their industry. In addition, Charleston County continues to focus on growing target industry clusters including IT/High Tech and Life Sciences. These industries capitalize on long-term trends that have only been accelerated by the COVID-19 pandemic and will help to further diversify the Charleston County industry mix to increase economic resilience. Finally, the underlying fundamentals of the Charleston County region, including its strategic location along the Eastern Seaboard, logistical port and rail access, a growing population and a skilled workforce, ensures that it will remain an economic bellwether in the Southeast.

Throughout the impact of the COVID-19 pandemic event, Charleston County has worked to support existing industry. These efforts include serving as a clearinghouse for vital information including the availability of local, state and federal aid and programs; updates on executive orders governing business operation; assisting with access to personal protective equipment and other items necessary for safe business operation. Finally, Charleston County government serves and collaborates with regional and state leadership in multiple business reopening advisory groups including One Region Ready and accelerateSC. These initiatives have helped to create economic revitalization plans to expedite the economic recovery from the pandemic.

Port of Charleston – The Port of Charleston is the fourth largest container port along the U.S. East Coast (based on container volume). Located within 500 miles of 25 percent of the US population, the South Carolina Ports Authority (SCPA) is a popular destination for outbound and inbound cargo. The SCPA is comprised of seaport facilities in multiple cities within Charleston County including the cities of Charleston, North Charleston and Mount Pleasant. The SCPA owns and operates five facilities located in Charleston harbor and these facilities employ approximately 500 people. A sixth facility, the Hugh K. Leatherman, Sr. Terminal is currently being constructed to accommodate anticipated volume growth. The new container terminal is part of a \$2.6 billion capital improvement plan which will expand capacity by 50 percent. With facilities that handle containerized, break-bulk, project cargo and roll-



on/roll-off cargoes, the SCPA annually handles system-wide shipments valued at roughly \$70 billion. The SCPA economic impact for the Lowcountry region is estimated at \$7.8 billion. The Port also supports an estimated 27,781 jobs and \$1.5 billion in labor income in the eight-county region.

The Port of Charleston moved almost 2.32 million twenty-foot equivalent units for the time period of July 2019 to June 2020, down 2.8 percent. Volumes were on track for the first seven months of the fiscal year before being impacted by decreased demand and supply chain disruptions connected to the COVID-19 pandemic. SCPA had anticipated seeing another “record year” before the impact of the COVID-19 pandemic, however the administration continues to trust that “great fundamentals” should support future growth. The addition of the Inland Port in Greer and the inland Port in Dillon, extends the Port of Charleston’s reach by 212 miles inland to the northwest and 150 miles inland to the north. The inland port additions provide shippers with access to more than 95 million consumers within a one-day drive. SCPA reports that the Inland Port Greer witnessed a modest decline (down 2.1 percent), while the Inland Port Dillon experienced record volume (up 9.7 percent).

The Port of Charleston harbor deepening project is currently underway. When complete in 2022, the harbor will suitably accommodate post-Panamax vessels that now have access to the East Coast since the completion of the Panama Canal. The plans include deepening the channel to a depth of 52 feet and the entrance channel depth to 54 feet. The turning basin is also slated to be enlarged. In addition to the harbor deepening, the SCPA’s continues to execute other parts of its capital improvement program that includes both increasing capacity and efficient operations, as well as modernizing terminals.

Hospitality and Tourism Industry – The leisure and hospitality sector has experienced the sharpest economic impact from the COVID-19 pandemic. The industry has witnessed a loss of nearly 19,000 jobs in the Charleston metro area from June 2019 to June 2020. This job loss represents a decline of nearly 36 percent. In addition, Charleston offers a vast array of annual festivals and events that bring tourists to the region. Many of these events were either altered, cancelled or, in the case of the reformatted 2020 Volvo Car Open tennis tournament (2020 Credit One Bank Invitational), held without spectators. These events typically generate national spotlight for the region and spur millions of dollars in economic activity.



Previous to the pandemic, the region’s visitor industry had expanded rapidly over the past few years, experiencing nearly 7.3 million visitors in 2018 (the latest formal data available). The tourism industry contributes more than \$8 billion annually to the area’s economy. While the COVID-19 pandemic has dealt a significant blow to the travel and tourism industry, a rebound is anticipated. Conde Nast Traveler reports that the overwhelming response (at 97 percent) of respondents to their annual reader’s survey who visited Charleston said they would like to return. These results are significant. In addition, Explore Charleston’s Travel Council reports early signs of growth in air travel. Charleston County, South Carolina is literally the preeminent Southeastern “Gateway to the World.”

Charleston was named the “No. 1 City in the U.S. and Canada” by Travel + Leisure World’s Best Awards for eight consecutive years (2013 through 2020). Charleston has received the similar designation of “Best Small City in the U.S.” from Condé Nast Traveler Reader’s Choice Awards nine years straight (2011 through 2019). Travel + Leisure magazine readers also designated Charleston as the No. 12 City in the world.

Previous to the COVID-19 pandemic, Charleston area restaurants were multiplying and flourished with a constant flow of aspiring chefs and affluent visitors. Several Charleston area restaurants were given the ‘Star Diamond Award’ by The American Academy of Hospitality Sciences; landed on Forbes 4 Star Restaurants list; featured in Wine Enthusiast magazine’s ‘America’s 100 Best’; and recognized by the James Beard Foundation Awards. More recently, the Gullah food scene has been featured on a nationally syndicated food program.



The USGA 2019 U.S. Women’s Open was hosted at the Country Club of Charleston, S.C. The USGA estimates that the event drew 100,000 spectators and direct economic impact of \$25 million in the Charleston region. The region is looking forward to hosting another prestigious golf event in 2021. In April 2015, PGA officials announced that the 2021 PGA Championship will be hosted at the Ocean Course at Kiawah Island, SC. The Championship was previously held there in 2012 with great success; bringing with it a \$23.6 million economic impact felt throughout the Charleston region.

Tourists arrive in Charleston from land, sea, and air. The region sees vast numbers of tourists who drive to Charleston for its charm and hospitality. In addition, the centrally located Charleston International Airport (CHS) brings in tourists

from around the world. The airport offers daily non-stop service to 27 cities and 31 airports in the United States and United Kingdom. The new seasonal nonstop transatlantic flight to London, Heathrow airport via British Airways that launched in April 2019 was temporarily suspended this season due to the impact of the Covid-19 pandemic. The new service coupled with anticipated passenger growth has prompted multiple improvement projects. Major construction projects include the addition of a new parking structure for more than 3,000 vehicles and the potential addition for a terminal. At the conclusion of 2019, CHS announced its fifth consecutive year of record-breaking passenger growth with nearly 4.9 million passengers flying in and out of the airport. While 2020 passenger volume has been impacted by disruptions due to the COVID-19 pandemic, there are some glimmers of hope as economic activity begins to increase.

The last decade has seen the emergence of a new facet to Charleston's tourism market - the cruise ship industry. In 2010, Carnival Cruise Lines chose to make Charleston a departure and arrival point. In addition, other cruise lines (i.e. Royal Caribbean, Azamara, Aida, TUI and Princess) bring their ships to Charleston as a port of call. The cruise business has an estimated \$131 million annual impact on the Charleston market according to a 2016 report by the Cruise Lines International Association. Carnival Cruise offers cruises between Charleston and ports in the Bahamas, Bermuda and the Caribbean ranging from two to ten days in duration. Despite the suspension of cruise operations in March 2020, the SCPA saw 217,673 cruise passengers in fiscal year 2020, a 2.2 percent increase.

Military – The military has continued to be a significant presence in the area even after the 1995 closure of much of the Charleston Naval Complex. A 2017 statewide study conducted by the University of South Carolina and the South Carolina Military Base Task Force estimated the annual economic impact to be nearly \$11 billion with more than 68,000 jobs supported. Joint Base Charleston remains the single largest employer in the region, employing more than 22,000 uniformed, civilian, and reservist personnel located within the Naval Weapons Station, the Navy Nuclear Power Training School, and the Naval Information Warfare Center (NIWC). Joint Base Charleston is home to the 437th Airlift Wing and its squadrons of C-17 transport planes, the 628th Air Base Wing and the 315th Airlift Wing (the reserve unit). These planes play a vital role of carrying supplies to active duty troops stationed all over the world.

The U.S. Coast Guard operates a station in Charleston, as well. At the 2020 annual “State of the Coast Guard” address, Charleston was identified as a “future Coast Guard operational center of gravity.” The Admiral indicated that Coast Guard plans to make Charleston a base for new assets and infrastructure including the first Offshore Patrol Cutter that “will comprise almost seventy percent of the [Coast Guard’s] offshore presence.” This announcement comes on the heels of a 2019 announcement that five National Security Cutters are located at a new “superbase” located in Charleston by 2024.

Higher Education – Nearly 50,000 students pursued higher education degrees in various Charleston regional colleges, universities and technical schools. The five largest institutions include; Trident Technical College, with 12,148 students; the College of Charleston with 10,783 students; The Citadel with 3,763 students; Charleston Southern University with an enrollment of 3,414; and the Medical University of South Carolina with 2,944 students. The region has many other educational institutions that supports a thriving research ecosystem and a trained workforce:

- Trident Technical College's has constructed multiple facilities to meet the needs of a trained workforce both in the areas of nursing, science and advanced manufacturing. In 2014, the college opened a \$30 million, 90,000-square-foot Nursing and Science Building featuring nursing simulation labs. In 2019, the college opened a \$79.3 million, 218,105-square-foot S.C. Aeronautical Training Center featuring two hanger bays, and 31 specialty-labs.
- The Zucker Family Graduate Education Center opened in late 2016. The center serves as the academic anchor of the Clemson University Restoration Institute (CURI). Program offerings include graduate-level engineering courses and advanced degrees to engineers interested in new opportunities in the job market. The CURI campus is also home to the newest and most advanced wind-turbine drive train testing facility. The center is capable of full-scale highly accelerated mechanical and electrical testing of advanced drivetrain systems for wind turbines with 7.5 MW and 15 MW test bays, positioning Charleston as an energy innovation leader.
- The Lowcountry Graduate Center, a partnership of five universities across the state and located right off I-526 in North Charleston, opened the doors of their new facility to serve working professionals, enabling them “to grow their career right here in the greater Charleston area.” In the summer of 2020, the Graduate Center moved to a Trident Technical College building on the Thornley Campus.

The COVID-19 pandemic has definitely impacted education given the mandates of social distancing. Area colleges and universities and the Charleston County School District implemented distance learning in the spring of 2020. Going forward, the education community has researched strategies to continue to provide quality education through a number of different safe and effective learning formats. This research was conducted with the help of regional and statewide collaboration initiatives that include experts from multiple industries including healthcare. Other issues including broadband infrastructure and bridging the digital divide has become a major focus since the start of the pandemic.

Manufacturing – The manufacturing sector in Charleston County includes a diverse set of industries including transportation equipment manufacturing, chemical manufacturing, machinery manufacturing, paper manufacturing and other miscellaneous manufacturing industries. While the shutdowns sparked by the Covid-19 pandemic caused supply chain disruptions and a general reduction in economic demand, many Charleston County manufacturers were able to maneuver. Some manufacturers were able to pivot and manufacture items needed to fight the pandemic such as personal protective equipment. Overall, Charleston County jobs in the manufacturing sector are down 1.4 percent when comparing June 2020 to June 2019.



Recent attraction and expansion announcements in the manufacturing sector include PRC Laser Corporation (laser systems manufacturer), The Urban Electric Co. (artisan lighting fixture designer and manufacturer), Spartan Motors Inc. (fleet, work truck and specialty service vehicle manufacturer), Smithey Ironware (designer and manufacturer of premium cast iron and carbon steel cookware), High Wire Distilling Co. (handcrafted small batch spirits) and Lowcountry Kettle (producer of handmade lowcountry-inspired kettle chips.) These economic development announcements represent more than \$18 million in capital investment and 650 new jobs in Charleston County.

MAJOR COUNTY INITIATIVES

Charleston County Greenbelt Program:

During FY20 County Council approved six Greenbelt projects totaling nearly \$7 million to purchase 167 acres for public parks and green spaces. These projects provide the following:

- Future expansion of the City of Charleston's Johns Island Park
- ADA compliant beach access at the end of 42nd Avenue, Isle of Palms
- Permanent protection of two public parks – one in McClellanville, the other West Ashley
- Converting an abandoned shopping center to provide a new public park in West Ashley that will also help with the flooding near Church Creek
- 145 acres on Edisto Island – a small portion of the land will be used to provide outdoor recreation to area youth while most of the land will continue to be farmed.
- Leverage of over \$2 million toward the purchase of these Greenbelt properties and park improvements.

Charleston County Public Libraries (CCPL): The CCPL program continued to expand by completing a new 20,000 square foot Baxter Patrick James Island Library in fall 2019, and substantially completing new libraries in St Paul Hollywood and Bees Ferry West Ashley with expected occupancies in summer/fall 2020. The entire new and existing book/media collections were converted to RFID in summer 2019 supporting the addition of new self-check stations at every library by the end of summer 2019. The CCPL administration is scheduled to relocate from Main Library in summer 2020 and share a renovated Library Support Center with a new central hub for automatic sorting of book returns.

Construction Management:

- The new Awendaw Fire Station No 7 was substantially completed and scheduled for occupancy late summer 2020.
- Construction proceeded on the new Material Recovery Facility with completion and start of operation scheduled for late Fall 2020.
- Design has progressed on new Community Services Hub with site construction anticipated to break ground in late fall 2020 supporting occupancy for the Department of Alcohol and Drug Abuse Services, Department of Social Services, Department of Health and Environmental Control, and Vital Records by end of 2022 .

Other projects on the horizon for the County are:

- The Disabilities Board is on schedule to relocate from 995 Morrison Drive to 1357 Remount by the end of year 2020.
- Design and bidding were completed for a new Juvenile Detention Center supporting construction groundbreaking in the fall of 2020 and Juvenile occupancy by the end 2021.
- Design was completed and contract procured for the replacement of the Adams Run Radio Tower scheduled to commence in fall 2020.
- In support of the first project associated with the Azalea Complex Master Plan implementation, the designer of the new central fueling facility was selected, and design work is scheduled to commence in fall 2020.

Charleston County Expands On-line Live Chat Services: Charleston County's Environmental Management and Board of Elections and Voter Registration are now offering an online chat service to citizens in need of assistance. The departments join the Auditor's Office who have been utilizing the service to answer tax-related questions. Live Chat provides citizens the ability to communicate directly with a Charleston County representative through a messaging service online.

Charleston County Treasurer Debuts New Payment Website: Charleston County residents have access to a new and improved tax payment website. The new site provides taxpayers better navigation, new options, and lower costs to use a credit card for payment. Staff utilized customer feedback to assist in the development of the new website.

Charleston County Consolidated 9-1-1 Center Replaces Dispatch System with New Improved Technology: Charleston County Consolidated 9-1-1 Center replaced their on-premises Computer-Aided Dispatch (CAD) system with RapidDeploy's Nimbus CAD. The move to the cloud-native platform gives Charleston County access to modern features like real-time traffic information and incident feeds, allowing a faster and more informed emergency response.

Charleston County Clerk of Court Released Updated CourtPlus Web Application: Charleston County released a new and improved version of CourtPlus.org. The updated design makes it easier for citizens to locate public court information and a new dashboard allows users to track cases. The focus of CourtPlus from its inception has been online instead of in line to provide citizens free access to court records.

Center of Resilience Excellence South Carolina: Charleston County, the College of Charleston, and the South Carolina Aquarium have partnered to create a new center of excellence with a focus on community and resilience. The Center of Resilience Excellence South Carolina (CORE SC) will collaborate with organizations throughout the state, country and globe that provide best practices on resilience. CORE SC is designed to be the nexus for research, innovation, and collaboration that leads to actionable outcomes to improve community and societal resiliency.

Awards and Acknowledgements:

Charleston County Government's offices, departments and employees have been honored with numerous awards and recognitions in FY 2020. These awards reflect Charleston County employees' dedication to providing the best services to our citizens.

- **Charleston County's NASA team** won the South Carolina Association of Counties (SCAC) Barrett Lawrimore Memorial Award for the Launch with NASA Business Expo and STEM program. The Launch with NASA Program began with a partnership between Charleston County and NASA to provide opportunities for our citizens, education outreach, and access to technology and research. The program started with a STEM Expo and Small Business forum. These events provided new connections to schools, colleges, defense contractors, small business owners, as well as federal, state and local agencies.
- **Charleston County Economic Development** received one of the top honors for a communication piece at the 2019 Southern Economic Development Council (SEDC) Communication Awards Ceremony. **Charleston Tech: Our Time is Now** won a *Special Judges Award for Talent Attraction*. The video not only showed creativity, but also solid messaging and effectiveness at reaching their target audience.

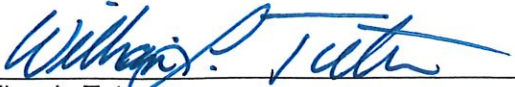
Charleston County Economic Development also received a recognition of excellence for their Technomic Development Annual Report and a recognition of merit for their Business Resource Guide.

Jay M. Kramer, Existing Industry Specialist for Charleston County Economic Development, graduated from the University of Oklahoma Economic Development Institute. The Economic Development Institute is an intensive 117-hour certificate program that provides a broad spectrum of advanced education for the economic development professional.

- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to Charleston County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 32nd consecutive year that the government has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting given to governments that demonstrate a constructive “spirit of full disclosure” to communicate clearly the County’s financial story. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that Charleston County’s current comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to GFOA to determine its eligibility for another certificate.
- Charleston County also received its 31st consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2020 budget from GFOA. According to the GFOA, the award reflects the commitment of Charleston County Government and its staff to meeting the highest principles of governmental budgeting. The award was given based not only on how well the County budgets its funds, but also on how well it communicates to the public how the money is spent. The Fiscal Year 20 budget was submitted to the GFOA and we believe it will receive the award also.
- Charleston County received its 1st award for the **Popular Annual Financial Report (PAFR)** for the fiscal year ended June 30, 2019. This was the first time the County has submitted a PAFR for the GFOA award.
- Charleston County maintained its AAA bond rating with Standard & Poor’s Ratings Services, Moody’s Investors Service, and Fitch Ratings for the 15th year in a row.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Charleston County Finance Department. Special thanks go to the team headed by Carla Ritter, who with the assistance of Laurie Hagberg, Chrisanne Porter, Barbara Ford, and Allison Hughes of the Finance Department produced the Comprehensive Annual Financial Report, and coordinated the audit with the external auditors. Substantial contributions were also made by several financial staffs throughout the County: Mack Gile, and Gail Marion from the Budget Office; Mary Tinkler and Julie Riley from the Treasurer’s Office; Lisa Murray from the Department of Alcohol and Other Drug Abuse Services; Jean Sullivan from Grants Administration; Jackie Proveaux and Michelle Sueck from the Public Works Department; and Reggie Fuller of the Economic Development Office. Substantial assistance also came from the staff members of the County Administrator and Deputy Administrator for Finance. Thanks are also extended to the staff of Scott and Company LLC, the external auditors, for their efforts in performing the annual external audit.

In addition, Charleston County staff would like to acknowledge the leadership and support of Charleston County Council in making this report possible.



William L. Tuten
County Administrator



Corine Altenhein
Deputy Administrator for Finance



Carla Ritter
Finance Director